

SECRET

3 June 1969

MEMORANDUM FOR: Mr. Bross

SUBJECT : Final Report of []

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1. [] final report is attached. I think you will find it interesting and it raises some important points for us to deal with in the future.

2. The general theme of [] paper is that the job of developing a TOD information system is sizeable and is of a trail-blazing character. There are no norms or standards. Therefore, what statistics are presented, how information is selected and interrelated, and what significance may be deduced are in themselves complex. [] uses a variety of illustrations to indicate that in his opinion there is a considerable analytical task that should be carried on to study the methodology for assembling and presenting the data. This is in addition to and wholly distinct from the analytical task of using portions of the data to answer real-life substantive issues.

3. [] pays tribute to the support we have had and will continue increasingly to require from [] in providing us computer software programming. He urges that we validate our completed TOD rack-ups by cross-checking with the actual users of the resources reflected in the TOD. He notes the importance of -- in the long run -- developing a TOD which is based on the "actual expenditures" of past years as well as programmed projections for future years. In short, therefore, Roy reminds us that TOD is still in the development stage and should retain the character of a laboratory project for a good while yet.

4. [] work this year has been of great value to us. As one with much knowledge of program details, yet one who can stand apart from the day-to-day efforts, each of [] trips has provided valuable perspectives for all of us. He has a good sense of where to strike the balance between ambitious objectives in information system-building and the realities of bureaucratic organization and administration which sometimes make us settle for a less complete system than we would wish. He has, on numerous occasions, shared the task of briefing outsiders about this community effort, and he invariably creates a tone of stability and fairness and I think he makes these people feel confident that the TOD effort is in good hands and is a worthwhile endeavor which will be of general benefit. The graphics which he has prepared to illustrate the concept of a DCI's Resources Handbook are imaginative and are a good basis on which to build. His work has not been directed to supporting us in our day-to-day tasks; rather, it has been of a trail-blazing character, in which he has been looking at data interrelationships and searching for new and more meaningful ways to express the characteristics of the intelligence business.

5. We will miss [] I, personally, will keenly miss his loyal support and his dogged optimism and his patience. I hope you will keep open at least some small possibility that we may be able to use his services in some form in the future. If TOD does expand into a basic management tool, there are all too few people with his kind of experience, judgment and ability.

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MEMORANDUM FOR: DDCI/NIPE

SUBJECT : Analysis and Interpretation of TOD Data

My objective during this final tour of duty was to draw from the available TOD data a picture of the deployment and employment of the Community's resources that could be used to introduce Mr. Laird, Mr. Packard and Mr. Froese to the complex world of U.S. Intelligence.

I decided to use the data for FY 1971. The only current data available in the computer is that from the CIAP; all data shown for the other programs, in the charts and tabulations attached, are from last years TOD data bank. I have melded the two to provide an estimated Community picture for illustration only -- the data is not suitable for actual use.

The totality of the Community's resources and that of each program contributing to it are arranged to provide three basic perspectives;

Distribution by Target Area
Distribution by Function
Distribution by Intelligence Subject

In the case of distribution of resources by subject I used only those for Production because in the CIAP, clandestine Humint resources are not broken out by subject so you could not obtain a subject perspective based on the totality of its Collection resources. To what extent this same situation will show up in the other programs cannot be determined at this time. Frankly, I question the value of breaking out either Collection or Processing resources by subject.

Setting up the charts and tabulations attached is a fairly simple problem and I must emphasize that the task is much easier now that you have the assistance of [] and his wonderful machines. However, the minute you have the first tabulation or chart completed you slam head on into the nitty gritty problem of analyzing and interpreting it. Normally when you analyze something you have established norms and standards that can be applied to the data. We have no such norms or standards in the intelligence business, no guide as to how much is too much, too little or just right.

First consider the investment distribution of intelligence resources by geographic or target areas. Map (A) shows the distribution of CIAP's total dollar resources. You will note that 50% of the resources are shown as

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Multi-Regional or World-Wide and therefore not useful for an analysis of target area relationships. However, most of these resources are in the basic support category and it is not, in my view, really meaningful to force a distribution of such resources on a target basis.

Move to table (D) which shows the target area distribution of that portion of the (estimated) Community's dollar resources that are targeted against identifiable geographic areas. Remember, this is a sample for illustration only; the tabulation eventually made from the current TOD data when available will be different than this although I doubt that any major changes will show up. Assuming for the moment that these figures are correct, how do we explain why it is "right" to have 3% of the Community's resources invested in Africa and only 1% in FE [redacted] Does the "threat" 25X1 of Eastern Europe still deserve its having almost twice the investment of the Israel-Arab target area? It would seem to me that the geographical or target distribution of almost [redacted] of the taxpayers' money should be 25X1 based on some type of "threat assessment" by the Board of National Estimates. If the President can use national estimates in the development of our foreign policy, why shouldn't the managers of intelligence resources require this board to assist them in determining the proper distribution of those resources?

In table (D) you will also note a wide variation in the contribution made by each of the programs to the totals for the various target areas. Why is NRP the heaviest contributor to the Community's African investment? It could be due to their support of MC&G whose resources are excluded from this tabulation - if that is the case, such support will have to be identified and removed from such a tabulation as this. In any event, when the geographic distribution of the Community's resources are shown to Mr. Laird, Packard and Froehle, it is essential that you be able to explain the reasons for variations in the size of the investment between target areas and the variations in the program contributions to each target area.

I did not have time to prepare tabulations showing geographic distribution for more than one year (FY 1971) but it should be done for all years available. This of course will surface the perspective of the changing trends in the investment picture for each target and between targets; such a picture will raise other questions which must be answered.

Table (E) shows the functional distribution of the Community's total resources programmed for FY 1971 and the contribution of the programs to each functional area. It is interesting to note that the CIAP and the CIE contribute almost the same amounts to the Community's investment in Collection and Production. Depending on whether you are a pessimist or an optimist you can observe that Production only gets 3¢ of the Intelligence Dollar or that each Production Dollar is backed up by \$36 in Support, Collection, Processing and CI. When I see [redacted] worth of collection gadgetry held in a "contingency reserve" I cannot help but wonder if the Production members of the fraternity are not being slighted just a bit.

Table (G) shows the Functional Mix for each target area; how the total money resources invested on each target area are allotted to the functions of Collection, Processing, Production and CI. I could only do this for CIAP at this time but past experience leads me to believe that when the other programs are racked up in the same fashion, especially the CIP, they will show the same variations. Let us consider that the operating "intelligence machine" working against each target area has four moving parts; Collection, Processing and Production combining to provide what we call PI, and CI operating to protect the other three. Immediately the question arises as to why there is such a great difference in the "configuration" of the intelligence machine applied against one target as compared with another. I would have expected that in every case that the investment in Collection would be the largest one, but this is not the case.

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Why does CI require a larger share of the target investment than Production in seven of the 14 target areas? There are, I hope, valid answers to such questions, what ever they are you must seek them out. Over time and with adequate study of the matter you will be able to establish some norms and standards for what the proper "functional mix" should be for various types of target area in light of the operational conditions prevailing, etc.

Table (H) shows for the CIAP the variations in the mix between Operational Money and Support Money for the Production investment in each target area. Here again the variations are rather wide. Why, for instance, does [] of the Production investment go for Support on the GTI target when only is required in the case of the USSR?

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Table (I) shows for each target area the number of dollars invested in Collection and Processing for each one dollar invested in Production. The same kind of questions arise as with the other tabulations. Why a ratio of []

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Table (K) deals with "types" of money directly related to the functions of collection, processing, production and CI. Here again, note that Production only has 7¢ of its dollar going for R&D and that it has the smallest piece of the R&D pie.

The tabulations Nos 1 to 6 in the folder are suggested work sheets for use in racking up the Community totals and program contributions in various ways. Work on the Production and CI area could start whenever the CIP data rolls off the machine as these functions are not present in the CCP or NCI.

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You may find that other types of charts and tabulations should be developed in addition to or in place of those I have suggested. However, you must be prepared to explain any such material that you plan to show to Mr. Laird, Mr. Packard and Mr. Froehlke, or anyone else for that matter.

After the charts and tabulations have been completed I believe the first step should be to go to the leaders in various functional areas, that is, the men responsible for deploying and employing the resources involved, and ask them if the data presents a reasonable accurate picture of the Resource Posture they hope to have in FY 71 and then, whether your interpretation of the data is also reasonably accurate. This will be a time consuming but essential step in the development of a useful TOD system. In learning how to analyze and interpret the TOD data you should not rely solely on the judgment of those in the PPB or systems analysis area - you must also have the judgement of those directly responsible for the deployment and employment of the resources you are dealing with.

It may well be that much of the data showing distribution of the investment in various ways is based largely upon guestimative judgement rather than solid fact - that does not matter as long as you have an accurate appraisal as to the degree of guestimating involved in any given case, how it was made, and who made it. If, for example, the figures show that a program has an investment of \$X in one area and \$Y in another, and that such variance is due simply to the gut reaction of an individual after contemplating the state of the world in FY 1971, all well and good, provided you know that it was done this way and not on the basis of a complex six months staff study.

As an overall consideration, I believe it essential that all the charts, tabulations, etc., that you prepare must hang together, have symmetry and be traceable back to the totality of the resources involved. You should always be able to see what segment of the total pie you are dealing with and this segment should itself represent the "totality" of something. Stress should normally be on the COMMUNITY resource posture rather than that of any individual program, although in each case the contributing programs and the size of their contribution should be indicated.

As to the uses and the users of TOD data and the products to be derived therefrom. Some believe that its use is limited to those decision-makers in the PPB world whose past decisions are now receiving such keen attention on The Hill. If such a limitation should be established then the TOD effort will be limited to assisting the building of a continuing series of Potemkin Villages that represent the hopes and aspirations of those seeking resources but not the real world in terms of the resources (money, manpower or things) actually received, deployed and employed in any given fiscal year.

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"laboratory" should be set up in the neutral territory of East Building and that DoD people should be asked to participate on a full time basis. The move should not be delayed, otherwise you may find one established in the Pentagon where most of the bucks are and the CIAP minority stockholder will be invited to join. Could be that Mr. Froelke's 45-day paper will address itself to this proposition.

All will go well if you and your people never forget the TOD motto.

TOTUS SEMPER ET UBIQUE

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